

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:
Masonville Post Office
Masonville, Iowa

Docket No. A2011-38

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(September 26, 2011)

On August 2, 2011, the Postal Regulatory Commission (Commission) received an appeal from postal customers Nellie and Herman Marting (Petitioners) objecting to the discontinuance of the Post Office at Masonville, Iowa. On August 5, 2011, the Commission issued Order No. 792, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). The Commission received additional written communications from customers of the Masonville Post Office: a letter received from Verna Alden on August 9, 2011; a letter received from a concerned citizen on August 9, 2011; and a letter from Bill Alden, Mayor of the City of Masonville and the Masonville City Counsel, received on August 11, 2011. Additionally, the Participant Statement, which included a two-page PRC Form 61, was filed on September 1, 2011. In accordance with Order No. 792, the administrative record was filed with the Commission on August 10, 2011; a subsequent Notice of Filing to clarify the administrative record was later filed on September 20, 2011.

The appeal, Participant Statement, and other correspondence received by the Commission raise three issues: (1) the impact upon the provision of postal services, (2) the impact on the Masonville community expected to result from discontinuing the

Masonville Post Office, and (4) economic savings. As reflected in the administrative record of this proceeding, the Postal Service gave this issue serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,¹ the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Masonville Post Office should be affirmed.

Background

The Final Determination To Close the Masonville, IA Post Office and Continue to Provide Service by Rural Route Service (FD), as well as the administrative record, indicate that the Masonville Post Office provides EAS-53 level service to 26 Post Office Box or general delivery customers, no delivery customers, and retail customers 22.5 hours per week. FD at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1; Item No. 33, Proposal Exhibit, at 1; Item No. 41, Revised Proposal, at 2.² The postmaster of the Masonville Post Office was promoted on August 19, 2006. Since the postmaster vacancy arose, an officer-in-charge (OIC) has been installed to operate the office. The noncareer postmaster relief may be separated from the Postal Service; however, attempts will be made to reassign the employee to a nearby facility.³ No other employee will be adversely affected. Id. The average number of daily retail window transactions at the Masonville Post Office is six. Revenue has generally been low: \$10,994.00 in FY 2008 (29 revenue units);

¹ See 39 U.S.C. 404(d)(2)(A).

² In these comments, specific items in the administrative record are referred to as "Item ____."

³ FD, at 2, 8; Item No. 21a, Letter to Postal Customer from Manager, Post Office Operations ("Letter to Customer"), at 1; Item No. 33, Proposal to Close the Masonville, IA Post Office and Establish Service by Rural Route Service ("Proposal"), at 1, 5; Item No. 41, Revised Proposal, at 2, 8.

\$13,365.00 in FY 2009 (35 revenue units); and \$12,731.00 (33 revenue units) in FY 2010.⁴ The Masonville Post Office has no meter or permit customers. FD at 2; Item No. 33, Proposal, at 1; Item No. 41, Revised Proposal, at 2.

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Winthrop Post Office, an EAS-16 level office located nine miles away, which has 108 available Post Office Boxes. FD at 2; Item No. 18, Post Office Closing or Consolidation Proposal, at 1; Item No. 33, Proposal, at 1; Item No. 41, Revised Proposal, at 2. This service will continue upon implementation of the FD. FD at 1.

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Masonville Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Masonville Post Office. Questionnaires were also available over the counter for retail customers at Masonville. FD at 1; Item No. 23a, Postal Service Customer Questionnaire Analysis at 1. A letter from the Manager of Post Office Operations, Cedar Rapids, Iowa was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Masonville Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the

⁴ FD, at 2; Item No. 18, Post Office Closing or Consolidation Proposal, at 1; Item No. 33, Proposal, at 1; Item No. 41, Revised Proposal, at 2.

Winthrop Post Office. Also noted was the fact that retail services are available at the Manchester Post Office. The letter then invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery. Item No. 21a, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. In addition, representatives from the Postal Service were available at the Masonville Community Room at the Fire Department for a community meeting on March 17, 2011, to answer questions and provide information to customers. FD at 2; Item No. 21a, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 33, Proposal, at 1; Item No. 41, Revised Proposal, at 2. Customers received formal notice of the Proposal and FD through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Masonville Post Office, Manchester Post Office, and the Winthrop Post Office from April 4, 2011 to June 5, 2011. FD, at 6; Item No. 32, Invitation for Comments on the Proposal to Close the Masonville, IA Post Office and Establish Service by Rural Route, at 1; Item No. 33, Proposal, at 5; Item No. 41, Revised Proposal, at 8. The FD was posted at the same three Post Offices starting on July 5, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record.

In light of the postmaster vacancy, a minimal workload, low office revenue,⁵ the variety of delivery and retail options (including the convenience of rural delivery and

⁵ See note 4 and accompanying text,

retail service),⁶ no projected population, residential, commercial or business growth in the area,⁷ minimal impact upon the community, and the expected financial savings,⁸ the Postal Service issued the FD.⁹ Regular and effective postal services will continue to be provided to the Masonville community in a cost-effective manner upon implementation of the final determination. FD at 2, 8.

Each of the issues raised by the Petitioners and other postal customers of the Masonville community is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Masonville Post Office on postal services provided to Masonville customers. The closing is premised upon providing regular and effective postal services to Masonville customers.

The letter received from Verna Alden on August 9, 2011 and the letter from a concerned citizen received on August 9, 2011, both raise the issue of the effect on postal services of the Masonville Post Office's closing, noting the convenience of the Masonville Post Office and requesting its retention. The letter from Verna Alden expresses particular concern about "track[ing] down the rural carrier to conduct [her] postal business." The concerned citizen notes that pickups from Winthrop deliver

⁶ FD, at 2-6; Item No. 33, Proposal, at 1-4; Item No. 41, Revised Proposal, at 2, 8.

⁷ FD, at 2; Item No. 16, Community Survey Sheet; Item No. 33, Proposal, at 1; Item No. 41, Revised Proposal, at 2.

⁸ FD, at 7; Item No. 17, Rural Route Cost Analysis Form; Item No. 33, Proposal, at 5; Item No. 41, Revised Proposal, at 8.

⁹ FD, at 2-8.

“nothing but headaches.” Each of these concerns was considered by the Postal Service.

The Postal Service has considered the impact of closing the Masonville Post Office upon the provision of postal services to Masonville customers. FD at 2-8; Item No. 33, Proposal, at 1-5; Item No. 41, Revised Proposal, at 2-8. As explained in throughout the administrative record, carriers can perform many functions that will prevent any need to go to a post office. Rural route delivery to customers provides similar access to retail service, alleviating the need to travel to the Post Office. FD at 2-3, 4-6, 8; Item No. 23a, Postal Customer Questionnaire Analysis, at 1-3; Item No. 33, Proposal, at 1-3, 4, 5; Item No. 41, Revised Proposal, at 2-3, 4, 5, 7, 8. In fact, most transactions do not require meeting the carrier at the mailbox. Some of the services available from the carrier include mailing certain packages, purchasing postal money orders, and special services. FD at 2-3, 4. Also, carrier pickup is available which allows for scheduling the pickup of packages at the same time the carrier delivers the mail. Carrier service is especially beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail services to roadside mailboxes or cluster box units. FD at 6. Id.

Additionally, the Postal Service explained that it offers several convenient options, which can save customers a trip to the Post Office and having to interact with a carrier. FD at 2-4, 5, 7, 8; Item No. 33, Proposal, at 1-3, 4, 5; Item No. 41, Revised Proposal, at 2-4, 5, 7, 8. Stamps can be purchased by phone via a toll-free number, or by mail. FD at 2, 4; Item No. 33, Proposal, at 1, 3; Item No. 41, Revised Proposal, at 2,

4. If internet access is available, customers can purchase stamps online through the Postal Service's website at www.USPS.com and can print shipping labels with postage for Express Mail and Priority Mail using the Postal Service's Click-N-Ship service available at www.USPS.com. FD at 3, 4; Item No. 33, Proposal, at 2, 3; Item No. 41, Revised Proposal, at 3, 4. Furthermore, customers can place their mail on hold, or file a change of address order, by calling a toll free number or visiting the Postal Service's website. Id.

Upon the implementation of the final determination, delivery and retail services will be provided by rural route delivery emanating from the Winthrop Post Office. In addition to rural delivery, which is the recommended alternate service, customers may also receive postal services at the Winthrop Post Office, which is located 9 miles away. The window service hours of the Winthrop Post Office are from 9 a.m. to 11:30 a.m. and 1:30 p.m. to 4:30 p.m., Monday through Friday and none on Saturday. FD, at 2. Furthermore, the special attention and assistance provided by the personnel at the Masonville Post Office will be provided by personnel at the Winthrop Post Office and from the carrier. FD at 3. Thus, the Postal Service has properly concluded that all Masonville customers will continue to receive regular and effective service via rural route delivery.

Effect Upon the Masonville Community

The Postal Service is obligated to consider the effect of its decision to close the Masonville Post Office upon the Masonville community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute

recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Masonville is an incorporated rural community located in Delaware County. The Delaware County Sheriff's Department provides police protection. The community is administered politically by a mayor and council form of government, with fire protection provided by the Masonville Fire Department. FD, at 6-7; Item No. 33, Proposal at 4; Item No. 41, Revised Proposal, at 7. The questionnaires completed by Masonville customers indicate that, in general, the retirees, farmers/ranchers, commuters, and others who reside in Masonville must travel elsewhere for other supplies and services. See generally FD at 6; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters.

The Petitioners' letter of appeal raises the issue of the effect of the closing of the Masonville Post Office upon the Masonville community. In addition, Mayor of the City of Masonville and the Masonville City Counsel express concern that the Masonville Post Office is a very important part of the Masonville community. They elaborated that the "post office is located in the center of town and is a place that can be used to keep our residents informed of local events and programs." This issue was extensively considered by the Postal Service, as reflected in the administrative record. FD, at 6-7; Item No. 33, Proposal, at 4; Item No. 41, Revised Proposal, at 7. The Postal Service believes a community's identity derives from the interest and vitality of its residents and their use of its name. Although customers will be assigned a 911 address, the new

address will continue to use the community name and ZIP Code. Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal at 3. Communities generally require regular and effective postal services and these will continue to be provided to the Masonville community. Carrier service is expected to be able to handle any future growth in the community. FD, at 6-7, 8, Item No. 33, Proposal, at 4, 5; Item No. 41, Revised Proposal, at 2-8. The Postal Service noted that residents may continue to meet informally, socialize, and share information at the other businesses, churches and residences in town. FD, at 6-7; Item No, 33, Proposal, at 4; Item No. 41, Revised Proposal, at 7.

In addition, the Postal Service has concluded that nonpostal services provided by the Masonville Post Office can be provided by the Winthrop Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 6; Item No. 33, Proposal, at 4; Item No. 41, Revised Proposal, at 7. Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Masonville Post Office on the community served by the Masonville Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Masonville Post Office and would still provide regular and effective service. Item No. 21a, Letter to Customer, at 1. The estimated

annual savings associated with discontinuing the Masonville Post Office are \$21,044.00. FD at 7; Item No. 33, Proposal, at 5; Item No. 41, Revised Proposal, at 8.

Paragraph 1 of the Participant Statement asserts that a “low quality and inaccurate study was done regarding the services and sales that are handled at the Masonville Post Office,” however, there is no further explanation as to how the Postal Service’s determination of economic savings is faulty. The Postal Service has no reason to believe that the evidence in the record is inaccurate, and accordingly, there is no evidence in the record that would support the Petitioners’ conclusion. Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD, at 7; Item No. 33, Proposal, at 5; Item No. 41, Revised Proposal, at 8.

The Petitioners in their Participant Statement, Form 61, received on September 1, 2011 asserts that the Masonville Post Office has a lease on the property for another ten (10) years and that the expense of this rent was not factored into calculated savings when determining whether to close the Masonville Post Office. There is no evidence in the record to the effect that the lease extends for another ten years. Rather, the lease for the Masonville Post Office expires on February 28, 2013, (see Item No. 18, Form 4920, Post Office Closings or Consolidation Proposal Fact Sheet), and thus the least cost savings will arise from that point forward, and perhaps sooner if the Postal Service is able to sublease the property.

The letter from a concerned citizen identifies the vacant Postmaster position as a reason why workload and services provided at the Postal Office have declined. However, in the same letter, the concerned citizen states that the community has “a wonderful person that works at the Post Office and [] does everything she can to get mail in and out of Masonville.” The administrative record does not support the claim that a different staffing decision would lead to additional revenue, which in turn would exceed cost increases attributed to maintaining the Masonville Post Office. Similarly, the Petitioners assert in their Participant Statement that the unfilled Postmaster position has been used “as a main factor in determining the closure of the Masonville office.” As stated earlier, there are several factors that have culminated in the Postal Service’s final determination to close the Masonville Post Office. The Masonville Post Office, an EAS-53 level, provides 22.5 hours a week to 26 Post Office Box and no general delivery customers. Daily retail window transactions average six. FD, at 2. There are no permit mailers or postage meter customers. Id. Furthermore, as documented in the administrative record, there is no projected population, residential, commercial or business growth in Masonville. Item No. 16, Community Fact Sheet, at 1. The Postal Service appreciates the views of its customers; however the Postal Service has considered various business options with regard to the Masonville Post Office and determined that rural route service is the most effective solution for providing regular and effective service to the Masonville community.

The Postal Service determined that carrier service is more effective than maintaining the Masonville postal facility and postmaster position. FD, at 7. The Postal

Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster position became vacant when the postmaster was promoted on August 19, 2006. Upon implementation of the final determination, the noncareer postmaster relief (PMR) may be separated from the Postal Service. The record shows that no other employee would be affected by this closing. FD, at 2, 7; Item No. 15, Post Office Survey Sheet, at 1; Item No. 33, Proposal, at 1, 5; Item No. 41, Revised Proposal, at 2, 8. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Masonville Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Masonville Post Office on the provision of postal services and on the Masonville community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Masonville customers. FD, at 8. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Masonville Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Masonville Post Office be affirmed.

Respectfully submitted,

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